

Guide to Understanding Human Capital

NASA Langley Research Center



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INTRODUCTION

The most important asset of any organization is its human capital: its people. Langley Research Center (LaRC) is committed to investing in its people. The dedication and efforts of our employees have enabled us to achieve our past successes and will continue to help us meet future challenges. Thus, LaRC's employees are an investment in its future successes. As a result, LaRC is committed to providing an environment that fosters the recruitment, development, and retention of a high-quality workforce.

The reality of today's environment is one of continued change and constant improvement. Thus, we have a challenge, as well as an opportunity, to build a high performance organization. Career development plays a fundamental role in achieving this goal. In building a high performance organization, we improve our capacity to transform and meet the demands of change and accountability. We need to anticipate and respond to change quickly, think strategically, and be technologically smart. By its very nature, career development has both an individual and an organizational focus. As a result, learning and support need to occur at all levels — the employee level, the team level, and the organizational level. Employees are responsible for managing their own careers by identifying their knowledge, skills, abilities, interests and opportunities and then establishing career goals. LaRC is responsible for providing employees with a supportive environment to include the tools, resources, systems, and time needed to obtain their career goals and objectives. LaRC views career development as an organizational investment as it is beneficial for both individuals and the organization.

To enhance career development at Langley Research Center, career path development plans were developed. These plans are most effective when you actively make your own career decisions and personally commit to achieving your objectives. To help reach these goals, LaRC and its managers actively support employees in their development efforts and provide information on the Center's strategic direction to ensure that alignment occurs.

GUIDING PRINCIPLES

The Career Progression Paths Team (CPPT) proposes an approach to career development based upon Planned Organizational Staffing that is driven by current and anticipated work, budget, and Center requirements in support of the Agency's Mission and Programs. Guiding principles found throughout this guide include:

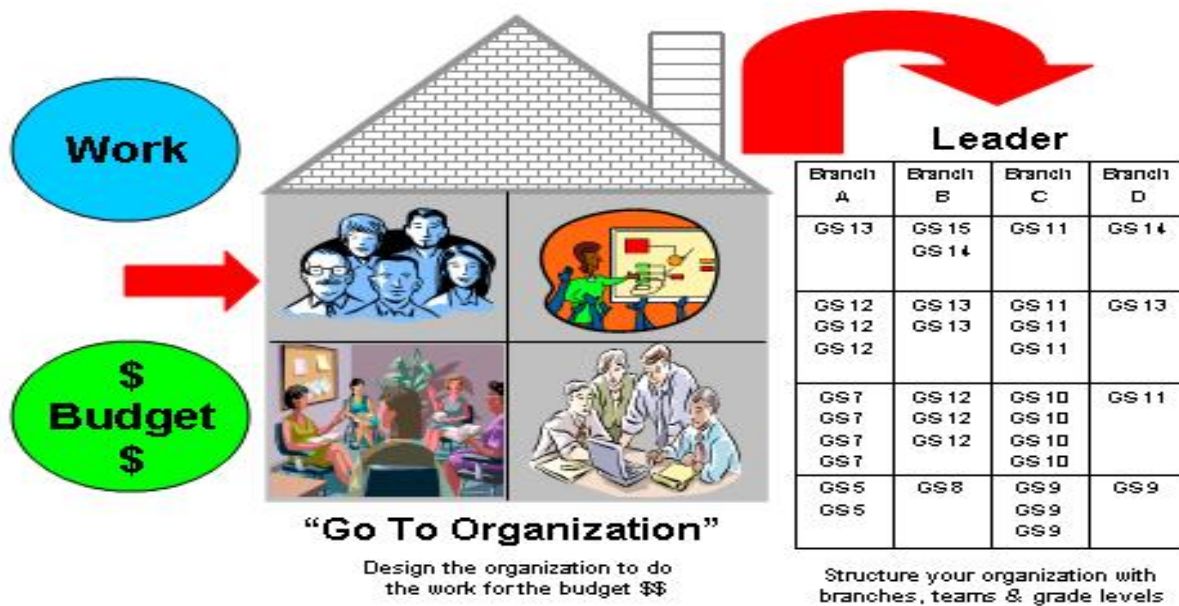
- Managers are directly responsible for the development of an organizational staffing plan consisting of appropriate skills, positions, and grade levels needed to do the assigned work within budget;
- Staff the plan adhering to the Merit Principles ensuring free and open competition;
- Utilize all workforce flexibilities such as term hires, temporary hires, temporary promotions, lateral reassignments, retraining in new skills, teaming, non-civil service workforce, etc. in developing staffing plans;
- Review staffing plans frequently as work and budget change;
- Manage the workforce as people move in and out of an organizational staffing plan to ensure effective manpower utilization;

- Effective staffing plan management requires a shift in thinking by both management and employees from person to position. In fact, all personnel staffing and promotion tools are directed towards position, for example:
 - Career Progression Path (CPP) for position
 - Impact of person on a position
 - Accretion of duties in a position
 - Desk audit of a position

BUILDING AN ORGANIZATION

Organizations are formed based on a need for specific services. All organizations require architecture to build an overall structure that supports its employees in order to achieve the mission and goals of the organization. Creating an organization can be likened to constructing a house. For example, when a family decides to build a house, a blueprint is needed. Similarly, an organization first must identify the work or services to be performed. This information will determine many important factors, such as how large the organization will need to be in order to fulfill the mission that it was created for.

Once the purpose of the building has been decided, funding must be secured. The amount of available funding will further influence the size and structure of the building. In the same way, financial resources affect an organization's size and structure. An effective organization can be formed by developing a staffing plan that includes appropriate staffing size, position levels, and grade levels (or salaries to be paid).



The Foundation: The Merit Principles

Every building must have a strong foundation, or it will not remain standing for long. The Merit Principles form the foundation upon which LaRC is built. The Merit Principles evolved in the United States in response to troubles created by political patronage, when Federal jobs were “bought” and “sold” by persons with money. These types of actions led to the passing of the Pendleton Act of 1883. This act mandated that selection for Federal jobs would be open, competitive, and free of political coercion. In 1978, the Civil Service Reform Act was passed, creating the nine Merit Principles which still stand today.

The principles state:

- Recruitment should be from qualified individuals reflective of a workforce that represents all segments of society, and selection and advancement should be based on ability and the premise of fair and open competition;
- The Federal workforce must be efficient and effective;
- All applicants for employment are entitled to receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age or handicapping condition;
- Equal pay should be provided for equal work, with appropriate rewards provided for excellent performance;
- All employees should maintain high standards of integrity, conduct, and concern for the public interest;
- Employers should retain or separate employees on the basis of their performance;
- Employees should be provided with effective education and training when it will result in better organizational or individual performance;
- Employees should be protected from arbitrary action, personal favoritism, coercion for partisan political purposes, and prohibited from interfering with or affecting the result of an election and;
- Employees should be protected against reprisal for lawful disclosure of information that the employee believes violates laws, regulations, or reflects mismanagement, gross waste of funds, danger to public safety, or an abuse of authority.

PRINCIPLES OF POSITION MANAGEMENT

With the Merit Principles, a solid foundation is in place. However, other factors must be taken into consideration for a holistic approach to Human Capital Management.

Position Management

Knowledge of the Merit Principles is important when considering and implementing position management at LaRC. In the Federal government, agencies have the authority and responsibility to establish, classify, and manage their own positions. The need to achieve an economical and effective position structure is critical to the proper and responsible use of financial and personnel resources. Here, at LaRC, the basic tenants of position management are being integrated with workforce planning, staffing for results, and simplified classification.

Effective position management:

- blends employee skills and assignments with essential mission goals;
- balances skill mix efficiently (i.e., mission-required employees with support personnel, professional employees with technicians, and supervisors with subordinates);
- ensures grade levels match work required to accomplish organization's mission;

- provides considerable freedom and flexibility to managers and supervisors to establish an organization that is not only efficient, but also cost conscious;
- provides opportunities for career progression;
- eliminates excessive layers of supervision; and
- avoids misalignment of employee position descriptions with work assigned and performance, which can be frustrating to both the employee and management.

THE PERSONNEL CLASSIFICATION SYSTEM

The personnel classification system plays an integral part in position management and organizational design. Supervisors and managers who direct the work of an organizational unit are responsible and accountable for organizing work in an efficient, effective manner, and for optimizing resources to carry out the mission of their organization. Once they structure their organization and assign work to positions, the classification system facilitates placing the position into the proper pay plan, title, series, and grade levels.

When developing an organizational structure, sub-units and all of the components of the sub-units are identified and the staffing levels are assigned. For example, depending on the type and amount of work to be performed, an organization may have five major sub-units. Sub-units may have twenty positions in each, and each sub-unit will be lead by a chief. Five team leads may be developed in each sub-unit with the rest of the positions subordinate to the lead, and so forth. It is important to do what makes sense to get the work done – one size does not fit all.

Planned Actions vs. Unplanned Actions

Planned Management actions are actions that have been planned and are accomplished as part of the organization's design. The key factor of position management is that supervisors, managers and/or leaders plan for and/or forecast their requirements. This process provides the Center with the most efficient use of its resources and also provides employees with clear direction regarding how to progress in their careers.

All positions should be staffed or filled in accordance with the identified needs of the organization. There should be very few actions that are not anticipated. Most employee progression (or staffing actions) may be either through competitive actions (to fill vacancies) or through career ladder progression, when the full performance level has been identified at the onset of the fill action. Even "Peer Review" processes are considered planned management actions. The research organization often anticipates growth in certain areas and will allow for increased salaries in the budget to account for additional promotions resulting from the peer review process.

When developing organizations, thought should be given to whether the work is "enduring" or "non-enduring." Enduring work is generally that which is anticipated to be funded for a year or more. Actions to fill positions of this type include permanent reassignment, promotion, or recruitment action. Non-enduring work should be addressed via term hires or temporary promotions.

Unplanned Management actions are those that are not anticipated and should be rare. Examples of unplanned management actions include changes in an individual's work that have not been anticipated nor shared by other employees, indicating that the employee had "accreted" additional work.

Competitive vs. Non-Competitive Actions

Competitive appointments require that an open competitive process be used. Competitive service appointments include career-conditional, career, term, and temporary limited. NASA's Merit Promotion Plan ("Blue Sheet") provides competitive procedures for all selections not specifically excluded by the plan. In addition to establishing the basis for filling vacancies and internal selections, competitive procedures must be applied in selections for all of the following actions:

- all term and temporary promotions over 120 days;
- details of more than 120 days to a higher grade position or to a position with greater promotion potential; and
- training which is required for a promotion.

Some appointments in the Executive Branch are "excepted" (i.e., the filling of these positions is not subject to an open competitive process). In filling both excepted and competitive positions, however, veterans' preference must always be honored.

Accretion of Duties

Accretion of duties is a discretionary exception to Merit Promotion Competition that involves a promotion resulting from an employee's position being classified at a higher grade because of additional duties and responsibilities. These types of actions should be carefully reviewed to ensure they are in accordance with the Merit Principles. Reference: 5 CFR 335.103(c) (3) (ii).

The following criteria must be met whenever an accretion of duties promotion is proposed:

- The new position retains the major duties of the old position and the old position is abolished;
- The new position is in the same organization and retains the same supervisor or leader as the old position and;
- The new position does not involve the addition of project leader, group leader, team leader or supervisory duties to a formerly non-supervisory or non-leader type position.

When such circumstances exist, it is the responsibility of the Human Resources Office to determine whether a promotion action of this type can be non-competitive. Successive non-competitive promotions of the same employee in the same job based on accretion of duties are not in the agency's best interest. Repeated non-competitive actions usually result from poor position management and can be avoided by identifying a realistic full performance level before the position is filled.

Erosion of Duties

Occasionally, a position or organization changes in a manner to reduce the grade of the position. A reason or a timeframe causing the changes cannot normally be identified (e.g., the changes occurred over time). "Erosion of duties" is the opposite of "accretion of duties."

Impact of the Person on the Job

The duties and responsibilities of a position may change over time. Sometimes, however, the unique capabilities, experience, or knowledge that a particular employee brings to the job can also have an effect on the work performed and therefore on the classification of the position. While it is the position

which is classified, the relationship of the employee to the position can be recognized when the performance of the incumbent broadens the nature or scope and effect of the work being performed.

The impact of the person on the job is reflected in the classification when the performance of a particular individual makes the job materially different from what it otherwise would be. When the classification of a position has been directly affected by an individual employee, the position will normally require redescription and reevaluation when it is vacated and typically will be filled at a lower grade level.

DEVELOPMENTAL OPPORTUNITIES

Temporary Opportunities

There are many opportunities at LaRC for employees to accept temporary positions through reassignments, details, and even temporary promotions to learn new skills and enhance current skill sets. With their supervisors, employees should discuss their individual goals, expectations, and ideas for where they can cross skills and competencies to learn and/or enhance their present position and potentially qualify for competitive opportunities in the future.

Developmental Opportunities (Temporary Promotions)

Organizations can advertise a temporary promotion in which the employee is given a developmental opportunity. These temporary promotions last up to two years. During this time the employee performs duties of a higher grade level and develops qualifications for future vacancies at these higher grade levels. Development opportunities can also be at the same grade level (lateral reassignment opportunities).

Candidate Pool (Qualified) – Registers

Organizations should determine their future workforce requirements resulting from anticipated attrition, retirements, internal movement, etc. Advertisements can be made through the competitive process for future positions in which the employee would be selected and placed on a register of qualified candidates in that occupation and series. An announcement is advertised for this register, employees are evaluated based on assessment criteria, and placed on the register. When a vacancy has been announced, a manager can request a list of qualified candidates who have competed and can make a selection for that position.

Center Promotion Criteria and Process

Career development at LaRC includes not just advancement, but also lateral movement and exploration activities. However, promotion is one key element of career progress. The Office of Personnel Management (OPM) requires that individuals nominated for promotion be:

- in positions that meet the criteria of OPM's Position Classification Standards and;
- in their current grade for at least one year. (Due to the competitive market for NASA's GS 7 interns in Aerospace Technologist positions, OPM has given NASA the authority to promote these interns to the GS 9 in as early as six months).

LaRC guidelines state that employees are typically required to remain at a grade level for at least 12 months. However, certain circumstances may require an individual to remain at a grade level longer than one year. The decision of whether to promote an employee rests with the manager/supervisor and is based on several factors including: (1) grade level of the work to be done, (2) assignments have

been made to higher level work with successful completion of that work, and (3) overall performance (e.g., experience in performing the full cycle of duties, performance). For additional information about Center promotion criteria and processes, please contact the Office of Human Capital Management at 864-2554.

INCORPORATING NEW WORK OR FUNDING INTO AN ORGANIZATION

When determining the best method for addressing new work, management officials and Human Resources specialists must first determine how the work was received (direct work, reimbursable work, etc.), and if the work was performed previously. If these criteria are met, then it should be determined whether there are employees with placement entitlements and how to best staff the organization. Typically, a new organization is staffed through reassignment, realignment, lateral reassignments, and/or recruitment. There are also instances in which Reduction in Force (RIF) procedures are used to staff an organization. In this case a “competition” is held in which employees with higher RIF standing remain in their positions while those with lower standing move to the new organization. Retention standing is based on four factors: tenure, military service, performance, and length of service. An actual RIF is extremely complicated, requiring much work and careful planning.

It is critical for LaRC to successfully balance the work and services provided with the available workforce to ensure that the work is being accomplished. It is also important to ensure that the organization is able to operate within the available funding. When organizations have more workforce than they can accommodate with work, the workforce will not be fully engaged. Further, if sufficient funding is not provided for the work and services, there will be an inability to appropriately compensate the workforce. Therefore, it is extremely critical to carefully design an organization where work, compensation, and associated costs are balanced and the organization can perform efficiently. In organizations, management is responsible for keeping the organization running smoothly, and they can make an organization a pleasant place to work.

Supervisory responsibilities include:

- determining the need for positions based upon the goals and objectives outlined in the Center strategic and business plan;
- determining the duties and responsibilities of positions;
- developing position descriptions with assistance from the Human Resources Office:
 - each position description should be developed for the complete career path (entry to full performance), providing a clear roadmap of expectations at each level and be directly linked to the organization design;
- developing and publishing career ladders for major occupations:
 - helps to communicate performance expectations; and
 - helps employees become more responsible for their careers.

Within a Federal agency, movement above one’s current full performance level (FPL) represents a promotion, and in most cases the appropriate competitive merit promotion policies must be followed. An identified full performance level (FPL) is neither a promise to the employee nor an entitlement. It is a measure of the work that needs to be done and the projection of the direction a position might go under optimum circumstances. Lack of funds should not be cited as a reason not to promote an eligible employee.

There are many developmental opportunities and ways to advance careers at LaRC. Career progression fosters an environment for career growth and encourages enrichment opportunities. LaRC's philosophy of career progression emphasizes flexibility and multiple approaches to meeting individual and organizational needs. The Center does not dictate a highly structured process or one best approach, but instead recognizes the need for individual choice and initiative.

GUIDING PRINCIPLES FOR STAFFING AND PROMOTION

The guiding principles of this manual for the managers and employees at LaRC are very important. These principles are the foundation of position management and (1) will assist the managers with their staffing plans and (2) help the employee understand the policies and procedures managers have used to develop their staffing plans. This guide provides both managers and employees with vital background information that will help them understand how to help accomplish LaRC's mission, as well as further their own careers.

Staffing and Promotion Process

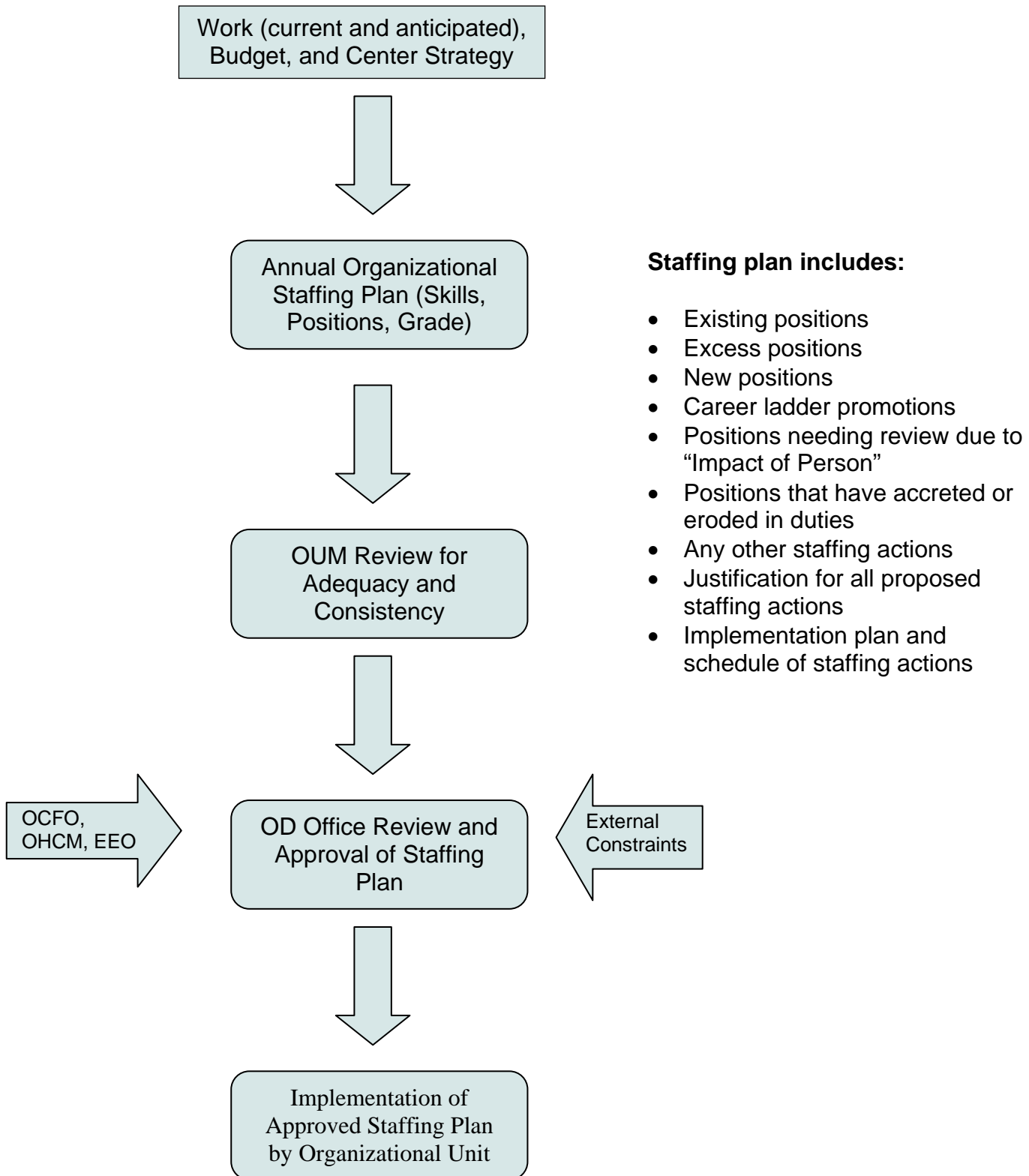
Although the staffing and promotion process at LaRC outlined in this guide might seem new, the Office of Personnel Management (OPM) processes and procedures for position management have always been available.

The following describes how managers must establish their organizations, manage those organizations, and work within the OPM policies and procedures to help run their organizations efficiently and effectively. Primary points to consider include:

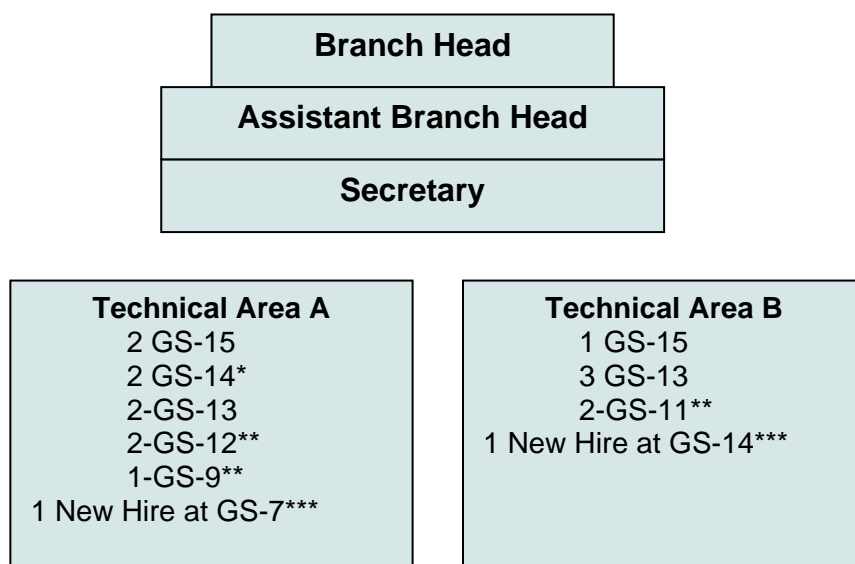
- The planned staffing approach is applicable to any organizational unit or sub-unit and covers all occupational categories at the Center;
- The process puts the responsibility of organizational staffing and promotions on management where it appropriately belongs;
- New positions can be filled through lateral reassignment opportunities, co-op hiring, or external hiring as per the approved staffing plan;
- Employees encumbering excess positions become available to other organizations for funded work or move to transition account to do Bid & Proposal (B&P), Center projects, or for retraining;
- Changes to approved staffing plans below a certain threshold can be made at the Organizational Unit Manager (OUM) level;
- Office of Human Capital Management (OHCM) supports the organizations in the development, review, approval, and implementation of annual organizational staffing plans, including evaluation of positions when necessary;
- The development of annual organizational staffing plans starts around July/August with approval by the Office of Director by November;
- A disciplined approach to planned staffing provides an upfront integrated picture of staffing and promotion needs at the organizational unit and Center level, thus allowing strategic decisions by the senior management.

The following pictorial describes how this process flows:

STAFFING AND PROMOTION PROCESS



The following chart is an example of an organizational staffing plan:



Notes:

- The number in each Technical Area derived by adding of all tasks
- A total of 18 existing positions needed based on work budget
- Any excess positions in the Branch made available for funded work or move to transition account
- No position changed as a result of accretion or erosion of duties
- ***2 new positions identified (1 at GS-7 and 1 at GS-14)
- **3 new positions require career ladder promotions
- *1 position to be evaluated for reclassification due to "Impact of Person"
- Includes Implementation Plan and Schedule (A complete staffing plan should include needs for other than civil service employees also)